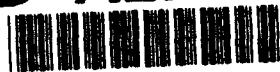


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Executive Research Project
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Japanese Host Nation Support: Future Outlook

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Captain
Larry W. Nelms
U.S. Navy

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94-07892



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Fort McNair, Washington, D.C. 20319-6000

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Unclassified

SECURITY CLASSIFICATION OF THIS PAGE

REPORT DOCUMENTATION PAGE

1a. REPORT SECURITY CLASSIFICATION Unclassified		1b. RESTRICTIVE MARKINGS	
2a. SECURITY CLASSIFICATION AUTHORITY N/A		3. DISTRIBUTION/AVAILABILITY OF REPORT Distribution Statement A: Approved for public release; distribution is unlimited.	
2b. DECLASSIFICATION/DOWNGRADING SCHEDULE N/A		4. PERFORMING ORGANIZATION REPORT NUMBER(S) NDU-ICAF-93- <i>AS9</i>	
5. MONITORING ORGANIZATION REPORT NUMBER(S) Same		6a. NAME OF PERFORMING ORGANIZATION Industrial College of the Armed Forces	
6b. OFFICE SYMBOL (If applicable) ICAF-FAP		7a. NAME OF MONITORING ORGANIZATION National Defense University	
6c. ADDRESS (City, State, and ZIP Code) Fort Lesley J. McNair Washington, D.C. 20319-6000		7b. ADDRESS (City, State, and ZIP Code) Fort Lesley J. McNair Washington, D.C. 20319-6000	
8a. NAME OF FUNDING/SPONSORING ORGANIZATION		8b. OFFICE SYMBOL (If applicable)	
9. PROCUREMENT INSTRUMENT IDENTIFICATION NUMBER		10. SOURCE OF FUNDING NUMBERS	
11. TITLE (Include Security Classification) <i>Japanese Fleet Nation Support: Future Outlook</i>		PROGRAM ELEMENT NO.	PROJECT NO.
12. PERSONAL AUTHOR(S) <i>Darry Nelson</i>		TASK NO.	WORK UNIT ACCESSION NO.
13a. TYPE OF REPORT Research	13b. TIME COVERED FROM Aug 92 TO Apr 93	14. DATE OF REPORT (Year, Month, Day) April 1993	15. PAGE COUNT <i>39</i>
16. SUPPLEMENTARY NOTATION			
17. COSATI CODES		18. SUBJECT TERMS (Continue on reverse if necessary and identify by block number)	
FIELD	GROUP	SUB-GROUP	
19. ABSTRACT (Continue on reverse if necessary and identify by block number)			
SEE ATTACHED			
20. DISTRIBUTION/AVAILABILITY OF ABSTRACT <input checked="" type="checkbox"/> UNCLASSIFIED/UNLIMITED <input checked="" type="checkbox"/> SAME AS RPT. <input type="checkbox"/> DTIC USERS		21. ABSTRACT SECURITY CLASSIFICATION Unclassified	
22a. NAME OF RESPONSIBLE INDIVIDUAL Judy Clark		22b. TELEPHONE (Include Area Code) (202) 475-1889	22c. OFFICE SYMBOL ICAF-FAP

ABSTRACT

This research paper examines policies which concern the present and the future outlook for Japanese Host Nation Support. It looks at the current agreements which are in effect between the U. S. and Japan and examines the total burden Japan is now supporting. To understand the current policies it gives a quick overview of past/historical data and explains how the agreement which is now in effect came about. With a complete understanding of the obligations which the Japanese government has undertaken it looks at the future perspective. How much is fair for the host nation to support? With current economical and political situations in the world should host nation support be increased? The primary thrust and perspective being, that other nations should look at what the Government of Japan is providing for host nation support and use that as an example to help in this changing world. Finally, various alternatives are given as suggestions which may assist other nations in the Pacific theater come to better grips with the new world order and equitable host nation support.

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Japanese Host Nation Support: Future Outlook

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JAPANESE HOST NATION SUPPORT: FUTURE OUTLOOK

INTRODUCTION/HISTORICAL DEVELOPMENT

" American power depends in part on developments largely beyond American control: Soviet decline, Chinese growth, European unity. All together, the five major centers of power—America, the Soviet Union, Japan, Europe, and China—have less control over the international system than did the great powers of the last century. The decline of American power is really 'the rise of the rest.' World politics has become more complex in the numbers of actors and their interdependence. . . .

Considered in these terms, the agenda for the 1990's is clearer. America must rebuild the economic base of its power by establishing a sensible fiscal policy, providing incentives for savings and investing in education. It must have an open international economy, which means openness at home and stronger support of international economic institutions. And it must strengthen the structure of postwar alliances, whereby two of the five centers of global power are allied to America rather than to the Soviet Union. This requires fair sharing of alliance burdens as well as avoiding pullbacks and friction over burden sharing that could diminish U. S. power. . . ."¹

Even with the demise of the Soviet Union and that countries sever economic problems this statement should still sound familiar. The above statement was made by Professor Joseph S. Nye, Jr. in March, 1988, in an article for the New York Times, when discussing America's future and imaginary. There is no single, universally accepted formula for calculating what constitutes equitable sharing of

these roles, responsibilities, risks, and costs of defense. National contributions can take many forms, some of which--such as defense spending, military manpower, and cash contributions to offset stationing costs--can be easily measured. There are also other national contributions that, although perhaps less tangible and more difficult to quantify, are nevertheless important aspects of burden sharing. These include political and financial support for shared international goals: the social, economic, and political costs of hosting foreign troops, and in-kind contributions to mutual defense. Each burden sharing indicator--as well as, assessments of overall performance--must be viewed in light of the ally's political, economic, geographic, and strategic situation.² In this paper I will attempt to keep to the more tangible monetary compensation arena, recognizing that there is tremendous influence from these other factors which also must be considered when discussing the realm of Japanese host nation support.

Japan continues to be America's key Pacific ally and the cornerstone of U.S. forward deployed defense strategy in the Asia--the Pacific region. Under the U.S.-Japan Treaty of Mutual Cooperation and Security, Japan provides a stable, secure, and rent-free environment for our military operations and training. It supplies, by far, the most generous host nation support (HNS) of any of our allies, (over \$ 3.3 billion in Japan Fiscal Year (JFY), 1991. The Japanese archipelago affords U.S.

forward-deployed forces geographically indispensable naval, air, and ground bases on the periphery of the asian land mass. The high level of The Government of Japan (GOJ) financial support makes this the least expensive place in the world for the United States to station forces abroad.³

Despite the break-up of the Soviet Union and ensuing decreased military threat to the region, I firmly believe, our presence in Japan remains vital to the security of the asian region. U.S. forces operating from bases in Japan are committed not only to the defense of Japan, but also to the preservation of peace and security in the entire far east region.

U.S.- JAPAN BURDEN SHARING RELATIONSHIP

The present defense relationship between Japan and the United States is based upon the Japan-U.S. Mutual Security Treaty, originally signed in 1952 and then substantially amended in 1960. This ever evolving and increasingly important bilateral arrangement was first determined on December 5, 1941, when the Japanese government broadcast its "East Wind-Rain" message, committing itself to war and confirming the orders for the attack on Pearl Harbor by Admiral Chuichi Nagumo's Kido Butai (Striking Force) two days later.⁴ With the Pearl Harbor attack,

the fate of these two nations was forever linked. In Tokyo Bay on September 2, 1945, as Japan's Foreign Minister Mamoru Shigemitsu limped away from the just concluded surrender ceremonies aboard the U.S.S. Missouri and as many B-29's and fighters flew overhead, General Douglas MacArthur began shaping an American policy toward Japan which is still bearing fruit today.

From those unbelievable beginnings, this sometimes controversial, unlikely relationship has grown to become arguably one of history's closest and most productive. Although not always viewed by many as such. It is based on an imposing set of political/military and economic links. Several of these key links should include, but are not limited to, sharing defense responsibilities of the homeland of Japan out to at least 1000 miles. Another example would be the economic ties with the United States, for without the U.S. markets for Japanese goods their economic well being would not be as successful as it is presently.

The most recent U.S.-Japan burden sharing negotiations began in early 1990, and ended with the signing of a new Host Nation Support Agreement on 14, January, 1991, by Foreign minister Taro Nakayama and Secretary of State James Baker. It is interesting to note that the old HNS agreement did not expire until 1992. The government of Japan voluntarily entered into a new agreement that is

more beneficial to the U.S., and will assume virtually all yen-based costs of maintaining our forces in Japan by 1995. That is, in addition to the more than \$3 billion the GOJ already pays, it will pay all utilities and virtually all labor costs of Japanese base workers. The new HNS agreement should result in additional savings of close to \$1.7 billion for the U. S. government over the next 5 years.⁵

In general terms, the United States pays for the salaries of military and civilian personnel, operations and maintenance for U.S. family housing, military construction, and expenses due to currency fluctuations. The Japanese fund the Facilities Improvement Program (FIP), bases for land used by U.S. forces, environmental compensation, labor cost sharing and utilities. The government of Japan also incurs indirect cost such as waived land use fees, forgoes taxes, tolls, and customs charges.

Under this agreement the GOJ began increasing its host nation support in calendar year (CY) 1991. As this new five year agreement phases in, the addition to HNS already provided, it began to pay local basic wage costs (on top of labor allowances already paid under previous agreement) and utility costs for the United States forces in Japan. With full phase in of the support measures, Japan's host nation support will account for up to 74 per cent of our total costs of deployment,

excluding salaries for U.S. service members and DOD civilian employees. (see figures 1 and 2)

U.S.-JAPAN SECURITY AGREEMENT

The agreement which was signed on 14 January 1991, superseded two key burden sharing initiatives concluded in 1987 and 1988 which provided the GOJ financial support for Japanese workers on U.S. bases. The 1987 labor cost sharing called for the GOJ to fund up to only one half of the special allowances and bonuses paid to these workers (under local compensation system, these allowance bonuses amount to roughly one half of the total compensation costs). In 1988, Japanese agreed to amend the 1987 special agreement enabling the GOJ to pay these allowances in full by 1991. Japan, in fact began to pay 100 percent of these allowances in 1990, a year ahead of schedule.

Japan is now shouldering approximately \$614.4 million in total labor costs for Japanese base workers in fiscal year 1992, up from approximately \$496 million the previous year. Japan's underwriting of basic wages, allowances, benefits, and other labor costs for the over 22,000 Japanese base workers (for all bases in Japan) is essential to the maintenance of a stable work force.

COMPONENTS OF JAPAN'S HOST NATION SUPPORT IN 1991

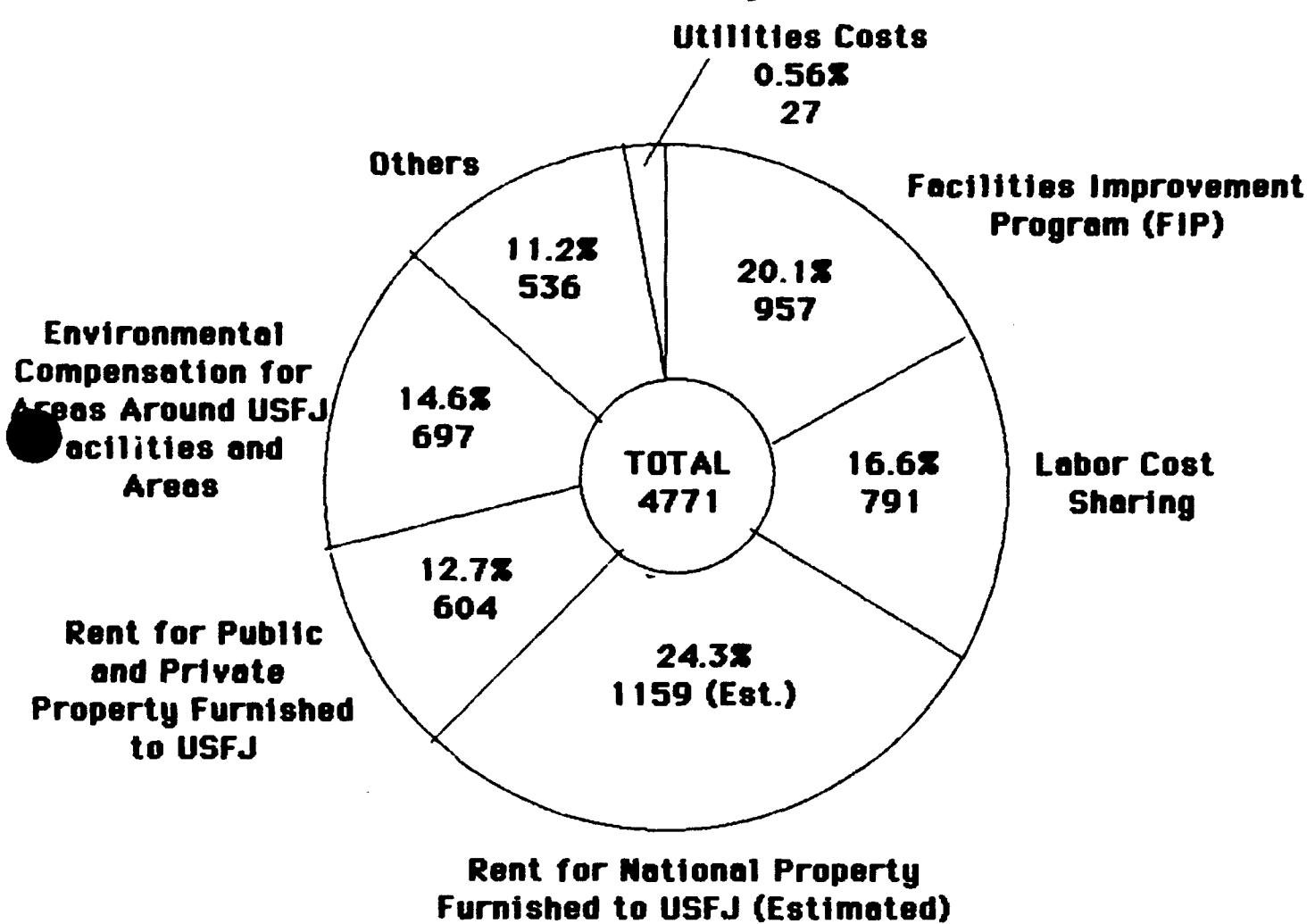


Figure 1

Source: Report to Congress, "A strategic Framework for the Pacific Rim:" DOD, 1992.

JAPANESE BURDEN SHARING

YEAR	US	JAPAN	TOTAL	US%	JAPAN%	JAPAN% W/O US SALARIES
1984	2,276	2,038	4,314	53%	47%	
1985	2,552	2,134	4,686	54%	46%	
1986	3,277	2,184	5,461	60%	40%	
1987	3,759	2,431	6,190	61%	39%	
1988	4,521	3,260	7,781	58%	42%	
1989	4,391	3,085	7,476	59%	41%	54.5%
1990	3,500	2,900	6,400	55%	45%	63.0%
1991	4,000	3,300	7,300	55%	45%	62.0%
1992	3,800	3,500	7,300	52%	49%	65.0%
1993	3,650	3,650	7,300	50%	50%	68.0%
1994	3,500	3,800	7,300	48%	52%	71.0%
1995	3,350	3,950	7,300	46%	54%	74.0%

Unit-\$1 million

1992-1995 figures are estimates

FIGURE 2

Source: Japan's Host Nation Support, The Japanese Embassy, 1992.

U. S. MILITARY PRESENCES IN JAPAN

Japan's largest dollar contribution to U. S. forces is in the area of host nation construction and improvement of U. S. facilities, as well as, other related measures in support of our bases. Funding in these areas, totaled approximately \$1.4 billion in JFY 1991. The key component in this area of financial support is the so called facilities improvement program. Under this program, the GOJ funds full construction costs essential to quality of life facilities for U.S. service and civilian members and their families. In JFY 1991, the GOJ budgeted \$801.1 million in facilities improvement program expenditures. These outlays over time have provided U. S. personnel stationed in Japan some of the most modern, well equipped facilities enjoyed in the world, constructed at no expense to the U. S. taxpayer. These expenditures, which have been ongoing for the past several years has made a significant improvement in the quality of life for the U.S. personnel stationed in Japan.

Here a question must be asked; what does this vast amount of money provide to the U. S. personnel stationed in Japan? As of March 31, 1990-- 103,140 U. S. military and civilian personnel and their dependents resided in Japan. In addition,

the military employed approximately 22,000 Japanese and other foreigners. The 52,770 U. S. military and civilian personnel in Japan represent 45 percent of U. S. military and civilian personnel on foreign soil in the Pacific theater/Asian theater. This is only 16 per cent of U. S. military and civilian personnel in the entire arena. However, phased troop reductions are planned through 1995. Phase I reductions, 1990-1992 equals 4,773 active duty personnel and phase II 1992-1995 being only 700 personnel. These reductions will bring the total number down to 44,527 by 1995. This planned phased reduction is for active military only.

Presently the Air Force and Marine Corps dominate the military presence in Japan. Together they represent 72 percent of all U. S. military and civilian personnel and their dependents. The Marines have the largest number, most of whom are based on the island of Okinawa. The Air Force has the largest total presences due numerically to the large number of dependents. The Navy represents 19 percent primarily, based in Yokosuka, Japan. Figure 3, gives a detailed breakdown of the exact number of personnel involved and the branch of service each represent.

The following list specifies the location, (from south to north), and the function of the major U. S. bases in Japan:

U.S. Military Presence Ashore in Japan, Totals, as of March 31, 1990

Organization	<u>U.S. Personnel</u>					Total Presence
	Military	Civilian	Total	Deps.		
Army	2,146	1,099	3,245	3,860		7,105
Navy	6,237	1,263	7,500	12,388		19,888
Air Force	15,908	835	16,743	20,837		37,580
Marine Corps	23,403	405	23,808	13,148		36,956
DOD agencies	89	1,385	1,474	137		1,611
Total	47,783	4,987	52,770	50,370		103,140

Figure 3

Source: GAO Report, House of Representatives, "U. S.-Japan Burden Sharing", 1990.

1. Okinawa: A number of facilities which provide support not only to the Marine Corps, but Navy and Air Force as well. These include, but are not limited to, an airfield, training ranges, landing beaches, and piers for use by the Navy.
2. Sasebo: Primarily a Naval base, used to home port several large ships.
3. Iwakuni: Marine Corps Air Station, which accommodates several ground forces, which are stationed on the base.
4. Atsugi: A Naval Air Station, where the Naval air wing, flying from the USS Independence, the Japanese based aircraft carrier, are stationed. This is also a joint usage airport, where JMSDF maritime patrol aircraft fly from.
5. Yokosuka: A Naval Base, where several fast frigates, cruisers, destroyers and the aircraft carrier are stationed.
6. Camp Zama: A small Army base in central Japan.
7. Tokyo: This is the location of the American Embassy and its associated staffs.
8. Yokota: One of the largest Air Force bases in the Pacific theater, hundreds of thousands tons of cargo transfers through this key base each year.
9. Misawa: A northern Naval and Air Force base, holds key early warning aircraft and Navy facilities.

Although these numbers are not extremely large, the locations are diverse and provide a very important strategic element in the Pacific theater. As is often said, "every little bit helps." Even when the number of troops are reduced in the coming years, our presence is the key to the U. S. security interests and Asian stability. In Tokyo on November 22, 1991, Secretary of Defense Cheney affirmed to our allies that U. S. security policy in Asia continues to be guided by six basic principles:

- * Assurance of American engagement in Asia and the Pacific.
- * A strong system of bilateral security arrangements.
- * Maintenance of modest, but capable, forward deployed U. S. forces.
- * Sufficient overseas base structure to support those forces.
- * Our allies should assume greater responsibility for their own defense.
- * Complementary defense cooperation.⁶

Even though this statement was made several years ago, these principles still shape the United States future East Asian security role. They are not focused on the narrow range of existing threats but allow for a more diverse range of possibilities that cannot be foreseen.

Another ingredient of vital importance, is the people who are holding down these American positions overseas. The commitment the U. S. and Japan has

established to care for the military, civilian personnel and their dependents is enormous. Just one of the reasons why the Overseas Family Residency Program (OFRP), has to have dedication and commitment to make it work. The families who are stationed in Japan, undergo a tremendous cultural shock when they arrive in the "Land of the Rising Sun." Each service and civilian organization has special programs established to assist in the transition process. It is also one of the reasons the Japanese are providing such extensive outlays of dollars to upgrade the facilities on the bases. The care and feeding of U. S. military, civilian and their dependents are at the top of every bodies priority list. This is an example why the GOJ spent \$801.1 million in 1991 alone to improve the facilities in Japan.

Speaking from first hand experience, I have to admit, it is money well spent.

JAPANESE OPERATING AND INVESTMENT COSTS

Over the past decade, Japan's defense expenditures grew at an average annual rate in real terms of over 5.4 percent, a growth record better than the U. S. or any of our allies. The ability of the GOJ to develop a consensus supporting consistent increases in Japan's annual defense outlays was based upon popular awareness of the Soviet Union threat. As is the case in the United States, the breakup of the Soviet Union in the post cold war world has made it difficult to sustain this level

of growth in defense expenditures. Nevertheless, the JFY 1992 (beginning April 1, 1992) defense budget approved by the cabinet in December of 1991 encompasses a 3.78 percent increase in defense spending as compared to a 5.47 percent increase in the JFY 91 budget.⁷

The proposed defense budget for JFY 1992 would put Japan's annual defense expenditures at Yen 4,552 billion (\$36.4 billion at an exchange rate of 125 Yen to the dollar). The 3.78 percent increase reflects some continued front loading of major equipment purchases in the second year of the five year mid-term defense plan. But most of the increase will go for mandated wage increases and improvements in quality of life items such as barracks and other facilities. These areas have long been in need of improvements, particular as the JSDF faces severe recruiting difficulties in light of a general labor shortage in the Japanese work force. However, it will be interesting to watch in the future as the countries unemployment numbers climb slightly in Japan. Labor cost sharing in the JFY 92 budget will increase by 14.3 percent, with utilities payments to increase 300 percent. As the new agreement continues to phase in, in JFY 92 the GOJ will bear 65.4 percent of all U.S. Forces Japan (USFJ) local labor costs (this will be 100 percent by 1995). Facilities improvement program (FIP) expenditures are scheduled to increase by 4.2 percent on a Yen basis, allowing construction of all

projects sought by USFJ.

With the JFY 1990 defense budget, which ended March 31, 1991, Japan completed the fifth year of its defense buildup under the then current Five-Year Mid-Term Defense Program (MTDP). In 1985, JDA adopted the MTDP as an official government plan, and the cabinet approved the MTDP's Yen 18.4 trillion five year price tag. With the JFY 1990 Defense budget expenditures, Japan met 100 percent of the equipment goals set in the previous MTDP. Full funding of the procurement targets of the second year of the MTDP pushed JDA's budget over one percent of the GDP, and the then Nakasone cabinet established the overall spending and procurement targets of the MTDP as the new guidelines for regulating defense spending, rather than the artificial cap of one percent of GDP which was in effect at the time. Nevertheless, all indications point to a defense budget which can be expected to hover below one percent of GDP in the near future.

Japan's new Five Year Mid-Term Defense Plan was approved by the National Security Council and the Cabinet December 20, 1990. It became effective April 1, 1991. The total framework for the new MTDP was set at Yen 22,750 billion over the five year plan. The GOJ estimated at the time this would result in average annual real growth in Japan's defense expenditures of 3 percent. In fact, the JFY

1991 budget grew by 5.47 percent, and the JFY 92 budget was scheduled to grow by 3.78 percent.

The current MTDP, covering the years JFY 1991-1995, notes that the level of Japanese defense capability outlined as required in the 1976 agreements has been largely achieved. The emphasis in the new MTDP with respect to front line equipment shifted from major new acquisitions to replacement and modernization. The Japan Self Defense Forces (JSDF) are focusing on improving rear support and logistics functions, with particular emphasis placed on enhancing intelligence, command and communications capabilities, research and development, and improving living and working conditions of JSDF personnel. All the above mentioned areas are in need of long overdue improvements. One word of realization, however, the MTDP when enacted called for a review of the plan after three years, which will be in JFY 1993. In light of the changes taking place in the international situation, the government has recently directed that this review be conducted a year earlier than planned, with possible implications for the 1993 budget. Prime Minister Miyazawa in a report to the Diet in late January went so far as to say that a review of the MTDP could lead to revision of the 1976 defense outline itself. All indicators seems to point to little domestic constituency support for growth in defense spending substantially more rapid than that which

has been taking place in recent years. It will be interesting to see the outcome of these actions, for they could have a major impact on host nation support and the U.S. personnel stationed in Japan.

Like the United States, the understandable pressures on reducing the defense budget, Japan still continues to take on an increasing share of its defense burden. As a result of Japan's acceptance of a division of roles and missions with the United States, and its defense buildup to enable it to perform those missions, the U. S. has been able to increase the effectiveness of its forward deployed military presence in the entire Asia region. Continued combined exercises have demonstrated an impressive capability for combined Naval and Air Defense operations. The success of Japan's Maritime Self Defense Force (JMSDF) mine sweeping operations in the Persian Gulf in the spring and summer of 1991, during which a flotilla worked closely with the U. S. Navy and other Allied Forces, was a testament to the close cooperation practiced between our Naval Forces on a regular basis.

BURDEN SHARING GOALS/FUTURE OUTLOOK

Indications point to Japan's commitment to improve its self-defense

capability, which was clearly demonstrated by the implementation on schedule of the previous five year defense buildup plan, which expired March 31, 1991. With the new MTDP and the JFY 1992 defense budget of Yen 4,552 billion, Japan now ranks fourth or fifth in the world in terms of the size of its defense budget.⁶ Just a note: in calculating defense spending this figure does not include survivor benefits, retired service members pensions and other pension payments normally included in most nation's defense budgets.

Japan's defense relationship with the United States is based on the U. S.- Japan Treaty of Mutual Cooperation and Security. For much of the post-war period, the defense relationship consisted principally of the U. S. commitment to defend Japan. However, the nature of the relationship seemed to change somewhat in the 1970's, as Japan became an economic superpower. It obtains resources and sells goods on a world-wide scale. The oil shocks of the 1970's were a painful lesson to the Japanese that its basic security interest were vulnerable to events in distant places and beyond its direct control. At the same time, the Soviet Union commenced a massive military buildup in the far east and invaded Afghanistan, which demonstrated a very aggressive nature to the Japanese.

As a result of the changing character of the world and its many complexities,

the U. S. - Japan bilateral security relationship has grown in scope and complexity and has come to focus not only on our nuclear deterrent but to a great degree on U.S. and Japanese conventional military power. Due to this, I suspect, is why the GOJ agreed to bear more of the costs associated with the U. S. military presence in Japan. In addition, Japan's leaders in the security field are concerned about pressures within the United States for a possible retrenchment of the U. S. presence in Asia in the near future. This is due to U. S. budget constraints, easing of tensions between east and west, and the perception that the United States may be growing more isolationist. The logical approach would be to find better ways to further support the U. S. presence in Japan within the framework of the security treaty and the status of forces agreement. All indications are the GOJ has expressed its understanding of the reductions in the troop strengths as outlined earlier but nonetheless remains somewhat anxious about what the future holds.

When I lived in Japan, the people I talked to seemed to realize the role of the U.S. forces was vital to Japan's own security and prosperity. They thought the United States brought stability to the entire Pacific region. However, with that note, it should also be mentioned that there were some who indicated the U. S. was no longer necessary to the region due to "peace breaking out all over" and our time

living in their homeland was over. With these two schools of thought, it will be very interesting to see the outcome of the review of the security agreement in 1993.

Based on these observations it is imperative to improve joint U. S. - Japanese capabilities through increased combined and joint training and exercises. U. S. and Japanese forces should continue to increase the complexity and scope of bilateral exercises. By improving the ability to operate jointly with each other will increase security capabilities should the need arise. All services benefit from efforts to improve interoperability, not only between U. S. and Japanese forces, but also among the Japanese people. Efforts to improve the interoperability should accelerate in the future as we work with the JSDF to integrate further land, sea and air exercises. All these efforts will help with mutual understanding and integration of forces in the future. It is these small steps, when taken together when the opportunity is there, that will cement our relationship in the coming years.

Japanese defense policy is made and implemented in the context of a number of significant restraints. Japan is a thriving democracy in which all major policies, including those on defense, are rarely decided by simple majority vote. Thus,

although the government has been dominated by the LDP for 35 years (even though the LDP lost its majority in the upper house in the July 1991 election), it continues to hold the more powerful lower house. Both the LDP and the government have nonetheless sought broad support for major defense initiatives in the bureaucracy, among media, and academic leaders, and opposition parties. As in the U. S., the consensus building must start with these groups to obtain the desired results in the future.

Based on these indicators, I believe there is a bright future for the relationship between the United States and Japan. They continue to give the most generous host nation support of any other nation in the world and both countries need to continue the mutual agreements and security relationships. The world is still a very unstable place and our bilateral understanding is beneficial to the U. S. and Japan. However, it must be recognized that Japan's defense contributions remain critical to our own security strategy in the Pacific region. Such efforts are a part of a larger process that has engaged the countries for the past 40 years and which promises to keep us in close partnership in the years to come. Recognizing that this relationship even though it is extremely beneficial to the U. S. and Japan, could be construed by other nations as being threatening. However, I don't believe it is. Based on personal observations, the support provides a stabilizing effect in

the region, and does not act as an irritant. Other nations in the region, such as Korea, China, and Singapore are happy we are there to provide stability. They look at Japan as somewhat of a threat and with the U. S. presence that threat is somewhat diminished.

ISSUES OF CONCERN/RECOMMENDATIONS

Henry Kissinger touched on an area of burden sharing in an article, "Bipartisan Objectives for American Foreign Policy." He was writing about America's relationship with Japan, he said;

"The stunning economic success and political ability that Japan has achieved have placed it in a privileged, but also precarious position. Tokyo is experiencing what can be fairly described as the 'problem of success'....

There can be no debate over the importance of U. S. - Japanese ties. They are based on strong common interests - strategic and political, as well as economic. Preserving this relationship is vital to both countries. What is at issue is how best to proceed, not the value of the relationship itself..... We warn against any attempt to deal with the deficit by pressuring Japan to step up its defense efforts. Of course, Japan has the right to determine its appropriate security requirements. The United States can have no interest in urging it to go beyond that. Such a course would generate the gravest doubts all over Asia. It might deflect Japan from greater economic contribution to international stability through a cooperative effort by all developed countries to infuse capital into the developing world. . . ."9

Japan will continue to be one of the major powers of the Twenty-first century.

It is to the advantage of the United States and the rest of the free world to continue a healthy, equal based relationship with Japan. Our most pressing issue will be how to deal with the complexities and opportunities inherent in that interdependent bilateral relationship. Our Asian allies do and have great expectations for America. They look for us to be leaders first, predictable partners and allies, and dependable protectors and role models. If we continue to fulfill these expectations, we will continue to enjoy undiminished stature in Asia. Our Asian friends will continue to look to the United States as the linchpin of regional security. The U. S. stabilizing role in this region is a great responsibility which cannot be taken lightly, and it brings us greater responsibility. The greater burden on our shoulders is to maintain a fair and equitable position in the Pacific theater. These factors indicate America and Japan should continue its symbiotic relationship.

The key seems to be balance in the Pacific region. Asia, Japan included, expects the United States to maintain that balance. This role is not only good for the Asian nations but it is extremely profitable for the United States. As one of the fastest growing economic areas in the world, it is highly desirable for us to maintain stability in the region. In order for the U. S. to continue in that role it will be even more important for Japan to assume a greater share of the American military

burden. The continued concept of allied burden sharing stands on its own merits when taken into account with the grand strategy for the Pacific region. It is eminently reasonable and fair that western alliance expenditures be spread relatively, according to what each nation can afford. I firmly believe that other Asian countries should follow the precedence set by the GOJ and contribute more to the stability of the region. The other nations in the region should not contribute to our presence in Japan but they should supply us with support for services provided to their countries. In and of itself, the sharing animates the alliance and gives it substance as well as definition. There will always be difficulties in assessing fair shares but all must contribute to the common good.

The expanded, global nature of American security obligations entails correspondingly large responsibilities and justifiably disproportionate share of the bill. NATO allies, for instance, contribute vital access to territory and crucial logistics infrastructure, as well as support large standing armies and ready reserve forces. On the other hand, Japan is being asked to share her economic and technological prowess, maintain modern, self-sufficient defense forces designed to operate closely with American units, provide indispensable logistics infrastructure, ship repair availability, and base support and access. I suppose one could always ask, "What are the right proportions to host nation support and

burden sharing?" How valuable is the United States to the stability of the Asian area? How much is enough? These are difficult questions to answer to be sure. However, it is certain that Japan will be urged to do more as long as the current defense budget continues to shrink and economic difficulties persist. It should be no surprise, that the United States will continue to recommend additional improvements to the agreements already laid out.

The present level of host nation support is extremely generous. Nevertheless, the U. S. government spends more than \$3 billion annually to maintain soldiers, sailors, airmen, and marines in Japan. More can and should be done by Japan, especially since direct Japanese defense expenditures are and most likely will remain restricted.

Some suggestions which can be accomplished by the GOJ:

- Increase the number of housing units in Japan for U. S. Forces dependents.

Speaking from first hand experience, the Kanto Plains area needs immediate attention. Less than 40 percent of all dependents requiring housing have it available.

- Provide a better alternative to the night landing practice site for USS Independence Air wing. The current situation is unsatisfactory. The pilots

fly to the island of Iwo Jima to complete day and night qualifications. This has had an adverse effect on morale, training, and readiness.

- Expand the repair and rework facilities at Yokosuka Naval Shipyard. With the pullout by the United States from the Philippines, enhancing the ability of the Shipyard to handle more and a larger volume of business would help.

This is a small but critical representative list which illustrates what can be done to decrease the burden of defense expenditures by the United States.

I agree with Mr. Carl W. Ford, Jr. (Deputy Assistant Secretary of Defense (International Security Affairs)) statement on burden sharing and United States overseas basing, before the installations Armed Services Committee, U.S. House of Representatives, 1 April 1992. "A strong, complementary security relationship with Japan continues as the key to our Pacific strategy of long term stability and access to the Asia-Pacific region. Japanese support enhances our ability to remain forward deployed in Asia. Without it, we would not be able to sustain the presence Pacific-wide that optimize our force structure, deters regional concerns over intra-theater hegemony and strategic influence in the region. Because our Navy, Marine and Air Force assets are inherently mobile, Japan-based forces are

the ones we count on to respond quickly and effectively to any hostilities that could break out anywhere in the East Asia-Pacific and Indian Oceans regions. Without these forces, we would be extremely hard pressed to honor our regional and global responsibilities.”¹⁰

As an Executive Officer of an aircraft carrier station in Japan, I was able to witness first hand the quick responsiveness in which we were called if a crises arose in the region. We were continuously on a 96 hour alert status. It was clear to me, operationally, the U.S.-Japan security relationship was based on a clear division of labor. The United States provides a potent deterrent force, with significant power projection capability when asked to respond. The JSDF provided additional defensive capability with advanced ground, air, and seabased systems which were often American equipment, operated in accordance with U.S. doctrine. To a great degree, the two forces were interoperable and complementary.

As the trade imbalance between the United States and Japan persists, and the American economy remains somewhat stagnated, will the relationship be headed for more difficult times? Another prime consideration, when contemplating re-negotiation in the future with the Japanese is the current downturn in their economy. This is possibly the worst economic recession the Japanese have dealt

with in decades. However, most Americans feel their economic prowess is very strong and we still see Japanese bashing in the newspaper, radio, and television as good examples of the manifestation of American frustration. However, despite these revelations, the Japanese know that the Americans are important to not only their economy and national defense, but to regional Pacific stability as well. The fundamental problem rests with the Americans not understanding the Japanese ways of doing business and the Japanese underestimating the vitality and resilience of Americans. I'm more optimistic and predict differences will be resolved and we'll see more bilateral agreements established in the near future. As indicated previously, we see the GOJ direct and indirect monetary support for U.S. forces in JFY 1991 (April 1, 1991 to March 31, 1992) amount to over \$3.3 billion at the average exchange rate of 125 yen/dollar. The breakdown is as follows;

1. Facilities--\$1.4 billion
2. Land--\$1.19 billion
3. Labor--\$614.4 million
4. Utilities--\$20.2 million
5. Miscellaneous (Waived taxes on petroleum products, local procurement, customs, road tolls, lending and port charges, and claims)--\$119.4 million

There is no free lunch with this deal. The United States is still providing tremendous resources to support the vast number of ships, aircraft and most importantly the manpower. In addition to this, the political implications and trade concerns must be considered. A \$3.3 billion burden sharing contribution to our defense obligations does have an influence with congress. There was considerable justification for Japan contributing such a large amount of support. With this recent increase of host nation support and the lowering of some trade barriers the allegations of a closed society may well be dispelled by some Americans. Not bad planning, politically, for the Japanese.

I think the question must be asked--is this a good deal for the United States to remain forward deployed in Japan? Taking these multifaceted factors into account, the navy, for example, says that 5 carriers are required to keep one continuously deployed to the Mediterranean, another 1.7 carriers are required to keep one continuously deployed in the Western Pacific, and another 7.6 carriers are required to keep one continuously deployed in the Indian Ocean/Persian Gulf area--a total of 14.3 aircraft carriers for all three areas. Without a carrier forward-homported in Japan, a total of 18 carriers would be required.¹¹ Even as the number of aircraft carriers decline to an unknown figure in the future the evidence points to the extreme value of having a carrier homeported overseas.

The answer to the question is yes, we need to continue to be the balancer of Asian instability, the middleman in the Pacific Region. The United States must not ignore the importance of that area. Therefore, it is in the national interest of the United States to retain forward deployed forces in Northeast Asia, access in Southeast Asia, and defense arrangements with the Japanese. We should look forward to accepting the strategic role we have accepted in the region. In the future, we must use the example of the Japanese contributions to our national defense and have other countries follow their lead.

Discussed at length, as the military budgets of not only the United States, but Japan decline dramatically, we need to look toward the other Asian nations for assistance. We should go to Korea, Singapore, Australia, as well as Japan to come up with more Host Nation Support. The time is right, the world is a smaller place and it must be a combined effort from all to keep it a stable environment. The alternatives are many but the ones I recommend are:

- Increase the monetary support from Korea. This would provide an equal playing field for the two major competitors in the area.
- Increase our presence in Singapore, the government seems to welcome our slight build up. Move a couple of ships out of Japan and put them there.
- Increase our diplomatic relationship with VietNam. A key element for

stabilization with China. This is also a strategic location in the region.

- Indications are from the Office of the Secretary of Defense, we will ask for increased economic support from Japan. Even with a realized reduction and downturn in the worldwide economy, it is felt they can and will do more.
- Downsize several of the base facilities located in Japan and Korea by decreasing personnel and infrastructure. We should have a leaner and more efficient fighting force. Not only in the United States but also overseas.

These recommendations are certainly not all inclusive. However, based on extensive investigation and personal experience from living in the region I believe some are doable. Changes will need to be made in the coming years and it will be up to the thinkers, planners and prognosticators to come up with the right mix. However, I firmly think the future is bright for continued Host Nation Support from Japan. They too are a key to maintaining regional stability in the vital Pacific theater. Only through mutual cooperation will we be successful.

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